

CANADIAN BAYOU FIELD

07-3 and 07-4

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, JANUARY 9, 2007**, upon the application of **BEUSA ENERGY, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Cotton Valley Formation, Reservoir A, and the Hosston Formation, Reservoir A**, in the Canadian Bayou Field, DeSoto Parish, Louisiana.

COTTON VALLEY FORMATION, RESERVOIR A

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A.
2. To create two (2) drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, at the locations shown on the plat submitted with the application.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units with each separate tract sharing in unit production on a surface acreage basis of participation.
4. To designate an Operator of, and unit wells for, the proposed units as may be appropriate.
5. To provide that future wells drilled to the Cotton Valley Formation, Reservoir A, be located no closer than 660 feet to any unit line and no closer than 2,000 feet to any well completed in, drilling to, or for which a permit shall have been granted to drill to the Cotton Valley Formation, Reservoir A.
6. To permit Applicant to combine downhole production from the Cotton Valley Formation, Reservoir A, with production from the Hosston Formation, Reservoir A, in any well drilled on the identical units for those formations in which the interests in such units are identical.
7. To consider such other matters as may be pertinent.

The Cotton Valley Formation, Reservoir A, is defined as the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 9,140' and 10,177' (electrical log measurements) in the Bidas Energy USA, Inc.- John A. Blunt 14 No. 1 Well, located in Section 14, Township 12 North, Range 15 West, DeSoto Parish, Louisiana.

HOSSTON FORMATION, RESERVOIR A

1. To permit Applicant to drill, designate and utilize substitute unit wells for HOSS RA SUA and HOSS RA SUB, at the locations shown on the plat submitted with the application, and to approve an exception to the spacing provisions of Office of Conservation Order No. 708-D, effective August 29, 1979, for the location of the proposed substitute unit well for HOSS RA SUB.
2. To find that drilling, designation and use of substitute unit wells for HOSS RA SUA and HOSS RA SUB is necessary to efficiently and economically drain portions of the Hosston Formation, Reservoir A, underlying these units which cannot be efficiently and economically drained by any existing well on these units.
3. To designate Applicant as Operator of HOSS RA SUA and HOSS RA SUB.
4. To consider such other matters as may be pertinent.

The Hosston Formation, Reservoir A, was defined in Office of Conservation Order No. 708-D, effective August 29, 1979.

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Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

11/29/06;12/2/06

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**IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH
DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-
ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275
IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.**